

Working In Partnership

JELD-WEN are aware of the changes within the industry and are committed to working in partnership with our clients to an agreed performance level and operate in the same manner with our own supply chain to provide consistently high quality levels of product and service.

By forging long-term relationships, many mutual advantages are gained. A clear understanding of both partner's objectives and working practices leads to time and cost efficiencies and increased profitability.

Partnering objectives common to all current industry initiatives are:

- Conduct business in an honest and open manner
- Focus on needs and expectations of customers
- Operate a programme of continual improvement, reducing whole life costs
- Measure performance and set targets for continuous improvement
- Exchange information – benchmarking
- Work within a total team concept
- Work in an ethical and sustainable manner

Advantages of a partnership with JELD-WEN are:

- Best Value supplier – leading brand products
- A tailored service to meet your needs
- Projected expenditure visibility via fixed price matrices
- Price stability via agreed annual index linked rises
- Standardisation of product across all housing stock reducing future maintenance issues and minimising cost
- State of the art I.T. links
- Dedicated Project Management
- Dedicated lines of communication across all disciplines

JELD-WEN will commit to work with our customers to achieve Egan compliance as set out in the Rethinking Construction report. Our aim is to work with our clients and suppliers to achieve a long-term relationship, which will ultimately increase profitability for all parties allowing the industry to invest for the future.

Partnering Ethos

JELD-WEN UK has a customer focused approach, and believes firstly in partnering, and secondly in strategic supply teams. Jeld Wen was represented on the Board of the Housing Forum, and chaired their working group on Supply Chain Management. Leading to the development of the report "Improving Your Supply Chain – 20 Success Factors", copies of which can be produced on request.

This report has been widely distributed throughout our organisation and we believe the principles contained in this report are the way in which JELD-WEN UK wishes to do business.

For example:-

We are prepared to commit substantial resource to build and develop relationships early on in a strategic relationship, often months before trading may begin. Good examples of this are our strategic relationships with Mansell, Connaught, ROK Build & Mears where we began by developing a three stage plan – get to know each other, trial some orders, & enter a strategic relationship only when both organisations felt comfortable with each other. It was a number months before we got our first orders by which time we really understood how to interact with each other having, in some instances, conducted an FMEA workshop. We have been identified by a number of these customers as being one of a relatively small number of suppliers that trade with them in an integrated team way.

We are very strong at measuring performance and use a number of KPI's in various integrated team relationships, mainly in a 360 degree manner. These KPI's usually centre around delivery

performance, but can also look at customer care issues, order processing issues and invoicing and credit control issues. We have a very versatile and detailed system of statistics to call upon depending upon the type of customer we are working with. Some customers receive weekly statistics, some monthly. Examples of these are available on request.

We would agree a set of KPI's, which would be measured, on an ongoing basis. These would include levels of customer satisfaction discussed above, but would also include details on call backs, work carried out on time and works completed in full on time. These KPI's would be reported widely on either a weekly or monthly basis.

We are perfectly happy to work in an open book relationship and to work together to drive waste and cost out of the supply chain when we are sharing risk and reward. A good example of this is David Wilson Homes where we worked together on an open book basis to amend their staircase specification such that we reduced their costs by almost 11% whilst increasing our profitability, and improving lead times and reducing the amount of work needed on site.

We would expect to conduct a satisfaction survey by telephone with every customer, and face-to-face interviews with a selection, in order to understand how we were perceived as performing and in order to identify issues that could be used to progress continuous improvement during the project. All results would be fed back throughout the supply chain.

We have a top down commitment to integrated team working, with the main Board totally behind this strategy. Invariably any workshops we participate in will include a main board Director (or two), and colleagues from sales, manufacturing, marketing, logistics, customer service and technical.

We would expect to hold, with you, a number of workshops involving the end users to ensure we agreed a method statement that would meet and surpass their expectations.

Trust has to be earned. It is best earned by working in an open and honest manner, preferably with open book accounting. Trust eventually leads to a reduction in cost through one task, one person, whereby there is felt to be no need to check up on a supplier's work. This has to be developed through a frank and honest reporting style, whereby all issues are brought forward openly thus enabling a proactive approach.